



February 20, 2007

**Statement
Of
Anthem Blue Cross and Blue Shield
On
HB 6678 An Act Increasing The Availability of Health Care for Connecticut Workers**

Good afternoon Senator Prague, Representative Ryan and members of the Labor Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in Connecticut. I am here today to speak against **HB 6678 An Act Increasing The Availability of Health Care for Connecticut Workers**.

We are opposed to **HB 6678** because it seeks to put into statute a set medical loss ratio (87.5) for health insurers and removes the necessary flexibility that we need to administer our products. While it seems like a reasonable request to put Medical Loss Ratio (MLR) into statute, MLR contains many facets; namely how much money a carrier pays directly for healthcare; however, what is not calculated in MLR is any investments that the carriers make for our members, rather than comes out of our administrative cost. Those types of investments are things like Disease Management Programs for certain populations like diabetes, etc. that are used to improve the health of our members. It also includes investments into our information technology structure that allows us to promote quality programs with providers and members after assessing our claims data, etc.

As stated earlier, putting a set MLR in statute removes the necessary flexibility that we need to administer our many different products to our many different sized customers. For example, in the small group market, there is more involved from an administrative standpoint to administer those benefits than with the Medicaid plan that we offer. If we have a single MLR that we must meet, it will only cause us to not make investments above in order to meet this unrealistic MLR for some products and groups.

We would respectfully request that the committee not move forward with this proposed bill.